FIRST published in the Netherlands in 1942, The Dynamics of Business Cycles was written by Professor Tinbergen on the basis of fifteen years of econometric work. This work consisted in a verification of the question whether certain observed changes in economic phenomena could be explained on the basis of economic theory. As a preliminary step to such verification, it was often necessary to give a more concrete form to existing theories. They had to be elaborated and to be put in a form in which they became susceptible of statistical verification. This book provides a systematic presentation of economic theory restated in this manner. It is distinguished from general economic textbooks primarily by the fact that attention is concentrated on the explanation of movements. Those economic laws which affect only the permanent features of the economy are not discussed. No place is given, moreover, to the exposition of actual methods of observation, such as statistical analysis, or to a description of individual business cycles in any particular country. The primary purpose of the book is to provide theory and, hence, to explain what is typical and common in economic movements.

One may query the usefulness of an explanation of past movements. In the first place, such an explanation is useful because of the possibility that past movements will repeat themselves in the future. Much more important is the knowledge acquired by such study concerning the operation of the economy. This knowledge is necessary both for a full understanding of the economy in situations different from those of the past and for the consideration of measures of economic policy.

The reader is assumed to have mastered economics; but, in

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PREFACE

order to accommodate those economists who find it difficult to work through economics admixed with equations and symbols, this book has deliberately been so written as not to acquire any knowledge of mathematics on the part of the reader.

American economists who have wanted to inform themselves about Professor Tinbergen’s numerous writings have been faced with another difficulty—many of these were not available in the English language. It is hoped that the American edition of The Dynamics of Business Cycles, which presents a summary of Professor Tinbergen’s writings, will fill this gap.

The American edition follows very closely the original Dutch edition. In certain parts some historical material has been deleted, and chapter xi and a few sections have been entirely rewritten.

J. J. Polak

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